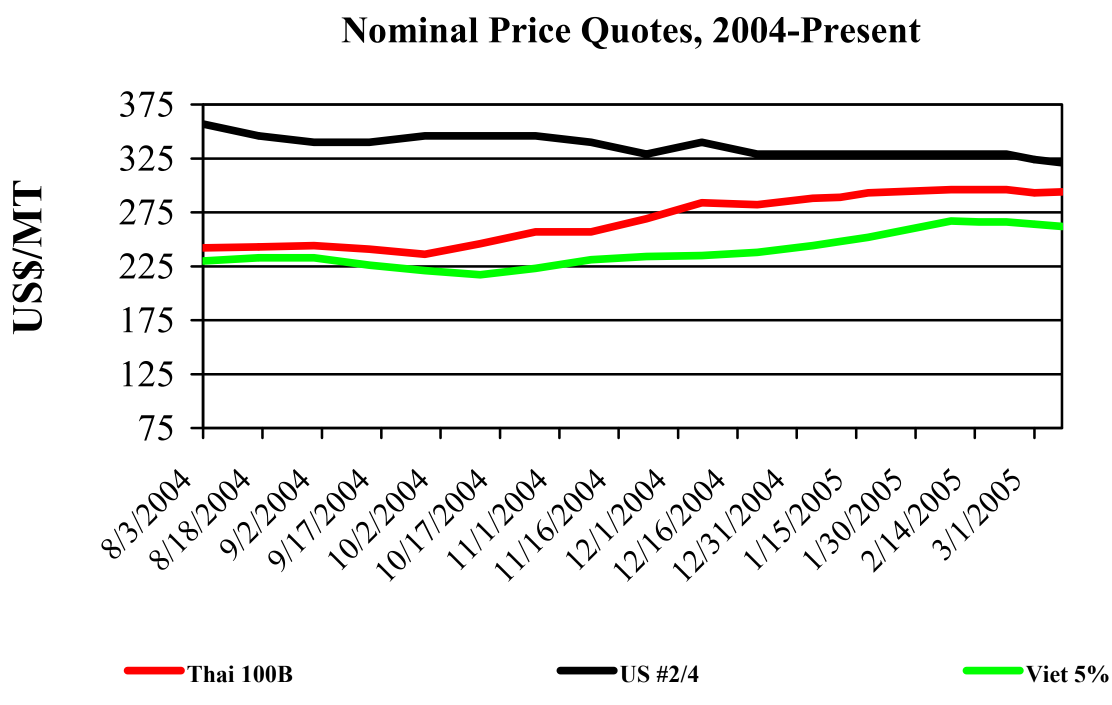
RICE: WORLD MARKETS AND TRADE

MONTHLY HIGHLIGHTS:

Less Demand, Tighter Exporter Stocks in 2005: Global trade is estimated to fall nearly 1.0 million tons in 2005 as major importing countries, such as Brazil, Indonesia, and the Philippines are estimated to have record or near-record supplies. This decline in import demand comes during a year when supplies in major exporting countries, such as Thailand, are relatively tight. However, those countries that need to import will face higher global prices than the last couple of years.

PRICES:

International: Asian prices have softened slightly over the last month. In Thailand, a lack of fresh overseas demand, coupled with new crop supplies, have put downward pressure on prices. Thai 100B is currently quoted at $294 per ton, FOB, down $2 from last month and a six-year high. In Vietnam, overseas demand is strong, mainly from the Philippines and Cuba, and supplies are ample due to the Winter-Spring harvest. Viet 5% is currently quoted at $262 per ton, FOB, down $5 from last month. In India, 5% is quoted at $270 per ton, FOB, up $3 from last month.



Domestic: U.S. prices have also trended downward over the last month with U.S. #2/4 long grain milled rice quoted at $321 per ton, FOB, down $8 from last month. The price spread between similar qualities of U.S. and Thai rice has shrunk to a two-year low of $27 per ton. Prices for U.S. #1/4 medium grain milled rice from California are currently quoted at $295 per ton, FOB, down $5 from last month.

TRADE CHANGES IN 2005

Selected Exporters

- **Australia** is reduced 75,000 to 175,000 tons because of tight exportable supplies due to 3 consecutive years of drought.

- Due to greater price competitiveness, the **United States** is increased 100,000 to 3.45 million tons.

TRADE CHANGES IN 2004

Selected Exporters

- Changes to **Argentina, Egypt, Vietnam,** and the **United States** are based on year-end export statistics.

- **Australia** is dropped 50,000 to 175,000 tons on increasingly tight exportable supplies.

- **India** is boosted 200,000 to 3.0 million tons based on stronger import demand in nearby markets during the second half of the year.

Selected Importers

- **Bangladesh** is raised 200,000 to 700,000 tons largely due to crop damage by flooding.

- Changes to **Brazil**, **Chile, China, Costa Rica, Cuba, Dominican Republic, Guatemala, Haiti, Honduras, South Korea, Mexico, Nicaragua, Panama, Peru,** and the **United States** are based on year-end statistics.

- With more fragrant rice imports, **Canada** is increased 35,000 to 285,000 tons.

- **Iraq** is shaved only 50,000 to 1.0 million tons based on near year-end data.

- **Jordan** is up 25,000 to 125,000 tons on strong imports from both Egypt and the United States through the end of the year.

- In Africa, imports are raised 190,000 to approximately 7.2 million tons based on year-end export statistics from key suppliers, Thailand and Vietnam. The bulk of the increase is in **Mauritania**, **Mozambique**, **Sierra Leone**, and **Togo**.